RBI notice to public sector banks

131. SHRI M. A. BABY :
SHRI RAMANARAYAN GOSWAMI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the RBI has issued show cause notices on two public sector banks; and

(b) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) Reserve Bank of India (RBI) has reported that after conducting scrutiny of certain advances granted by Central Bank of India, it was observed that financial assistance was extended to various borrowers without observing the set norms of prudent banking. A notice under Section 47 (1) (B) read with Section 46(4) of Banking Regulation Act, 1949 was issued by RBI for non-compliance with RBI's instructions. The bank has since complied with the RBI's advice.

RBI also directed Bank of India in September, 1992 to carry out a special management audit by a particular firm of Chartered Accountants. Later, in view of the delay, RBI issued a show-cause notice to Bank of India in December 1992 for non-compliance with its advice. Bank of India, subsequently explained the reasons for which the audit work could not be entrusted to the firm recommended by RBI and later in consultation with RBI entrusted the work of management audit of the bank to another firm of auditors.

Rate of Annual Inflation

132. SHRI SOM PAL :
DR. NAUNIHAL SINGH :
MISS SAROJ KHAPARDE :

Will the Minister of FINANCE be pleased to state :

(a) what is the annual rate of inflation at present;

(b) what is Government's targeted end-year figure of inflation;

(c) what is the official wholesale price index for all commodities at present;

(d) whether Government proposed to take any fresh steps to bring down the rate of inflation;

(e) if so, the details thereof; and

(f) what is the contribution of various product groups to inflation at present ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) The rate of inflation based on wholesale price index for the latest available week ended 10th April 1993 was 6.4 per cent.

(b) It is Government's endeavour to maintain price stability and restrict the inflation to a single digit figures.

(c) The Wholesale Price Index for all commodities as on 10th April 1993 was 233.6.

(d) and (e) : Government is committed to maintaining price stability and keeping inflation under check. Towards this end it would continue to persue disinflationary fiscal and monetary policy, provide incentives for growth and enhancement of commodity supplies including augmentation of PDS.

(f) The contribution to the latest inflation rate of 6.4 per cent by various subgroups was :

Primary articles—14.7%

Fuel, Power, Light & Lubricants—24.7%

Manufactured Products—60.6%

Evasion of excise duty by M/s. Purolator India Limited

133. SHRI SHIV PRATAP MISHRA: Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that M/s. Purolator India Limited, New Delhi, Parwanoo and Gurgaon are circumventing the various provisions of the Excise Act to evade the payment of excise duty to Government;

(b) whether it is also a fact that the Company is not issuing Form 57F(2) while purchasing/receiving components, raw materials from various suppliers/vendors for its manufacturing purpose;

(c) whether the above said malpractice being followed by the company is causing a loss of revenue to Government;

(d) if so, the details thereof and action proposed to be taken against the said company;

(e) whether the company is also not maintaining the proper record of the job work done by the suppliers leading to loss of excise duty to Government if so, the details thereof and action taken/proposed to be taken against the company ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) One case of Central Excise duty evasion was registered against M/s. Purolator India Limited Gurgaon during the year 1990-91. The adjudicating authority has confirmed a demand of Rs. 20,23,887/- as Central Excise duty and has imposed Rs. 20,000/- as penalty under the provisions of the Central Excises and Salt Act, 1944 and the rules thereunder.

(b) The Company has sought permission under Rule 57F(2) of the Central Excise Rules for sending various components, raw material for processing by job workers and the same has been granted by the appropriate Central Excise Officer.

(c) and (d) Does not arise, in view of (b) above.

(e) The Company is maintaining proper records for the job work got done by it.

Filling up of the Reserved Posts in GIC

134. SHRI JAGIR SINGH DARD : Will the Minister of FINANCE be pleased to state :

(a) whether GIC is following carryforward provision of unfilled vacancies in promotion/recruitment since nationalisation i.e. 1973 in class IV, III, II and the lowest rung of Class I as envisaged in Ministry of Finance circular No. 101/5/91/SCT dated the 28th February, 1991 which is effective from 1980 in Banking Division;

(b) if not, whether the reserved posts for SC/ST are dereserved with the approval of competent authority and details of dereserved posts year-wise in each cadre; and

(c) if not, the reasons therefor and whether steps are being taken to fill up the backlog since 1973 i.e. the date of nationalisation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir. Minist